



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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June 29, 1992

Mr. Norman Haslem
Mining Superintendent
Ziegler Chemical & Mineral Corporation
Star Route
Vernal, Utah 84078

Dear Mr. Haslem:

Re: Abatement of Non-Compliance Notice, Ziegler Chemical and Mineral Corporation, Ziegler Gilsonite Mines, M/047/013, Uintah County, Utah

This letter is sent to notify you that the Division is in receipt of Ziegler Chemical and Mineral Corporation (Ziegler) renewed reclamation surety. The National Westminster Bank, USA, has issued a new Irrevocable Clean Letter of Credit (ILOC)

- dated 6/24/92, in the amount of \$69,100, which is scheduled to expire on January 1, 1993. The renewed ILOC was received by this Division on June 25, 1992. Ziegler's prompt response/action has effectively abated the requirements of the Division's June 22, 1992, Notice of Non-Compliance.

The surety was not formatted according to the Division's latest accepted ILOC form. However, the Division has agreed to accept the new ILOC with the older language, in recognition that an updated replacement surety will be provided by Ziegler before the current ILOC January 1, 1993 expiration date.

Thank you for your company's cooperation in expeditiously resolving this non-compliance issue. We will be contacting you in the near future to schedule a time and date for the required field inspection to assist us in revising/calculating the updated reclamation surety amount.

Sincerely,

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb

cc: William Hyland, Ziegler (Corporate)
Gayle McKeachnie, McKeachnie & Allred
Lowell Braxton, DOGM
Tony Gallegos, DOGM